

1 page fax sheet that looks like -- is that a peanut or a
2 prune?

3 MR. MASTANDO: A raison.

4 JUDGE STEINBERG: Okay, with a picture of a raison
5 on it will be marked for identification as Bureau Exhibit
6 No. 11.

7 (The document referred to was
8 marked for identification as
9 Mass Media Bureau Exhibit No.
10 11.)

11 MR. MASTANDO: We offer that exhibit, Your Honor.

12 JUDGE STEINBERG: Any objection?

13 MR. GAFFNEY: We would object, Your Honor, in that
14 it's hearsay. It's an out-of-court statement made by Mr.
15 Rice who is not here testifying in this case. The only
16 thing that's been identified and authenticated is the copy
17 of the handwriting here by this witness.

18 And, indeed, it looks like double hearsay because
19 it appears that this Mr. Casey is the one who prompted the
20 inquiry in the first place.

21 So we would object to the entry of this exhibit,
22 and also because it would appear to have been an exhibit
23 that should have been entered in the direct case of the
24 Bureau.

25 MR. MASTANDO: Your Honor, may I respond.

1 JUDGE STEINBERG: Do you want to respond and then
2 I will rule?

3 MR. MASTANDO: Please.

4 Dan Leatherman was one of the recipients of this.
5 He acknowledged that receipt. He acknowledged his
6 familiarity with the document. If we feared that it's not
7 properly authenticated or we feared that somebody was
8 unfamiliar with it, I think we have answered that question.

9 And the reason it's not -- it didn't go in as a
10 direct case exhibit was that we --

11 JUDGE STEINBERG: It's impeachment.

12 MR. MASTANDO: -- wanted to use it as impeachment.

13 JUDGE STEINBERG: Okay.

14 MR. GAFFNEY: It is hearsay, Your Honor, and I
15 don't know --

16 JUDGE STEINBERG: Well, in that case this record
17 is filled with hearsay, including some of the statements in
18 some of your exhibits which could have been stricken on the
19 basis of hearsay.

20 MR. GAFFNEY: It's --

21 JUDGE STEINBERG: I will overrule the objection
22 and receive Exhibit 11.

23 //

24 //

25 //

1 (The document referred to,
2 having been previously marked
3 for identification as Mass
4 Media Bureau Exhibit No. 11,
5 was received in evidence.)

6 JUDGE STEINBERG: Okay, now, I have a couple of
7 questions.

8 THE WITNESS: Yes.

9 JUDGE STEINBERG: Have you got your exhibit in
10 front of you?

11 THE WITNESS: Uh-huh.

12 JUDGE STEINBERG: If you look at page 2, paragraph
13 6, the first sentence concerning you send sales and revenues
14 reports twice weekly to Lake's headquarters.

15 THE WITNESS: Yes.

16 JUDGE STEINBERG: Did you send any of these to Mr.
17 Rice?

18 THE WITNESS: No, I did not.

19 JUDGE STEINBERG: Did you --

20 THE WITNESS: I'm sorry. My front office gals
21 send this.

22 JUDGE STEINBERG: Okay. Do you know if they were
23 carbon copied to Mr. Rice?

24 THE WITNESS: I don't know that.

25 JUDGE STEINBERG: Now, okay, you have been the

1 general manager of KBMX in September 1990.

2 THE WITNESS: Yes.

3 JUDGE STEINBERG: So that your tenure kind of
4 overlapped Mr. Rice's problems, shall we say.

5 THE WITNESS: Yes.

6 JUDGE STEINBERG: Or let's say his
7 hospitalization.

8 And when was it, April 3, '91?

9 THE WITNESS: Was that when that was?

10 MS. SADOWSKY: Yes.

11 JUDGE STEINBERG: Okay. So let's -- what I want
12 you to do, if you can, is try to -- I know it's hard, but
13 try to remember before April '91, after April '91, and I am
14 going to ask you a series of questions, and ask you whether
15 Mr. Rice was involved in certain things before April '91,
16 after April '91.

17 If you are having trouble or you are not sure, I
18 want to know that. I don't want you guessing.

19 THE WITNESS: Right, right, I understand.

20 JUDGE STEINBERG: Because I don't think anybody is
21 helped by guessing.

22 Did you have anything to do with bank accounts or
23 checks or anything?

24 THE WITNESS: We made deposits. That was it.

25 JUDGE STEINBERG: Okay. But basically, like you

1 mentioned, the signs. They gave you a bill for the signs
2 and you forward --

3 THE WITNESS: We sent the sign -- the bill off.

4 JUDGE STEINBERG: So you didn't have anything to
5 do with that?

6 THE WITNESS: No, I did not.

7 JUDGE STEINBERG: Did you keep any cash around the
8 station?

9 THE WITNESS: We had petty cash.

10 JUDGE STEINBERG: You had petty cash?

11 THE WITNESS: Yes.

12 JUDGE STEINBERG: Did Mr. Rice ever, let's say
13 after April '91, avail himself of the petty cash?

14 THE WITNESS: Never.

15 JUDGE STEINBERG: Okay. I am not --

16 THE WITNESS: Right.

17 JUDGE STEINBERG: You know, I am not accusing him
18 of theft or anything like that. What I want to know is he's
19 in there. He is putting in a water cooler. He is
20 installing something. He needs a part, so he takes some
21 money out of the petty cash to go to the hardware store and
22 get a part.

23 THE WITNESS: I don't think he even knew where it
24 was.

25 JUDGE STEINBERG: Okay.

1 THE WITNESS: He didn't know where anything was in
2 the office.

3 JUDGE STEINBERG: Okay, because I could tell from
4 your expression that you were assuming that I was assuming
5 bad things, and I wasn't. That's why I --

6 THE WITNESS: Oh, okay.

7 JUDGE STEINBERG: -- That's why I explained
8 myself.

9 THE WITNESS: No, No, I wasn't assuming that at
10 all.

11 JUDGE STEINBERG: Okay. Well, it looked to me
12 like you were.

13 THE WITNESS: Oh.

14 JUDGE STEINBERG: And the books and records of the
15 station, were they kept by you or by Janet Cox?

16 THE WITNESS: Well, I kept my own records.

17 JUDGE STEINBERG: Okay.

18 THE WITNESS: And she kept those, plus others.

19 JUDGE STEINBERG: Did Mr. Rice have access to
20 those after April of '91?

21 THE WITNESS: Not in my office.

22 JUDGE STEINBERG: Okay, so he never asked you to
23 look at them?

24 THE WITNESS: No.

25 JUDGE STEINBERG: How about before April '91?

1 THE WITNESS: Did he ever ask me to look at them?

2 JUDGE STEINBERG: No. I wasn't clear.

3 Did he ever ask you -- did he ever come to you and
4 say, "Mr. Leatherman, I would like to take a look at the
5 books you keep"?

6 THE WITNESS: Never.

7 JUDGE STEINBERG: Either before or after?

8 THE WITNESS: Never. No.

9 JUDGE STEINBERG: If the station, somebody
10 advertised over the station, and so you sent a bill?

11 THE WITNESS: Yes, we will.

12 JUDGE STEINBERG: And who prepared and sent out
13 the bills?

14 THE WITNESS: We did not in our office.

15 JUDGE STEINBERG: Okay, did Mr. Rice do that --

16 THE WITNESS: No.

17 JUDGE STEINBERG: -- either before or after April
18 '91?

19 THE WITNESS: Never.

20 JUDGE STEINBERG: And you already explained who
21 paid the expenses. That was somebody else.

22 The same thing with respect to SESAC, ASCAP, EMI
23 fees?

24 THE WITNESS: We sent those off to the home
25 office.

1 JUDGE STEINBERG: Okay, Mr. Rice didn't have
2 anything to do with that as far as you know?

3 THE WITNESS: As far as I know.

4 JUDGE STEINBERG: Okay. Did Mr. Rice make any
5 loans on behalf of your station?

6 THE WITNESS: Not as far as I know, no.

7 JUDGE STEINBERG: Okay, either before or after?

8 THE WITNESS: No. Ugh-huh.

9 JUDGE STEINBERG: And Mr. Rice -- you mentioned
10 equipment, technical equipment.

11 THE WITNESS: Yes.

12 JUDGE STEINBERG: Did Mr. Rice, as far as you
13 know, purchase that equipment?

14 THE WITNESS: I assume the company did.

15 JUDGE STEINBERG: Okay. But he installed
16 equipment?

17 THE WITNESS: He either did, or he and Dennis and
18 Ken or --

19 JUDGE STEINBERG: Okay, Dennis and Ken who? You
20 have to say last names.

21 THE WITNESS: Dennis Klautzer which is Casey Van
22 Allen.

23 JUDGE STEINBERG: Right.

24 THE WITNESS: Or Ken Kuenzie, who had some
25 interest in the station, or our engineer, Eric Hoehn,

1 H-O-E-H-N.

2 JUDGE STEINBERG: Okay, so they either purchased
3 the equipment, did they -- did Mr. Rice help install
4 equipment?

5 THE WITNESS: Yes, he did.

6 JUDGE STEINBERG: Did he do this before April '91?

7 THE WITNESS: Yes, he did.

8 JUDGE STEINBERG: And he did it after April '91?

9 THE WITNESS: Yes, he did.

10 JUDGE STEINBERG: Did he do any more of it or any
11 less of it before or after?

12 THE WITNESS: A lot less afterwards.

13 JUDGE STEINBERG: A lot less afterwards, okay.

14 Okay, any like workmen's comp, health insurance,
15 life insurance, fire insurance, auto insurance, that
16 wouldn't have been taken care of by you?

17 THE WITNESS: No.

18 JUDGE STEINBERG: That would have been taken care
19 of by who?

20 THE WITNESS: Janet Cox.

21 JUDGE STEINBERG: Okay. Prospective employees in
22 any capacity, did you take care of that?

23 THE WITNESS: I took care of all of that.

24 JUDGE STEINBERG: Did Mr. Rice have anything to do
25 with that?

1 THE WITNESS: No.

2 JUDGE STEINBERG: How about before April '91?

3 THE WITNESS: Neither.

4 JUDGE STEINBERG: And you did the hiring?

5 THE WITNESS: Yes, sir.

6 JUDGE STEINBERG: And the firing?

7 THE WITNESS: Yes, I did.

8 JUDGE STEINBERG: And Mr. Rice didn't have
9 anything to do with that?

10 THE WITNESS: No, he did not.

11 JUDGE STEINBERG: Either before or after?

12 THE WITNESS: Neither before, never.

13 JUDGE STEINBERG: Salaries, who determined what
14 the salaries were?

15 THE WITNESS: I did.

16 JUDGE STEINBERG: In consultation with anybody?

17 THE WITNESS: Janet.

18 JUDGE STEINBERG: Okay, Mr. Rice?

19 THE WITNESS: No, never.

20 JUDGE STEINBERG: And he never -- Mr. Rice, did
21 Mr. Rice ever supervise any of the activities of the station
22 personnel?

23 THE WITNESS: Never.

24 JUDGE STEINBERG: You included?

25 THE WITNESS: Never.

1 JUDGE STEINBERG: Except to the extent reflected
2 in the faxes?

3 THE WITNESS: Right.

4 JUDGE STEINBERG: Who supervised the technical
5 operation of the station?

6 THE WITNESS: Eric Hoehn was our chief engineer.

7 JUDGE STEINBERG: Did Mr. Rice ever do any of that
8 before or after?

9 THE WITNESS: He put in the equipment. I don't
10 know --

11 JUDGE STEINBERG: Did he tune it?

12 THE WITNESS: I don't know. It's not my interest.
13 I don't -- I really don't know.

14 JUDGE STEINBERG: Do you still have meter readings
15 and stuff like that?

16 THE WITNESS: They do now, yeah.

17 JUDGE STEINBERG: And do you know who -- it's not
18 every three hours like it used to be.

19 THE WITNESS: No.

20 JUDGE STEINBERG: It's like what, every three
21 weeks or something?

22 THE WITNESS: Well, I mean, our people on the air
23 still do our meter readings, yeah.

24 JUDGE STEINBERG: Okay. But did Mr. Rice do any
25 of that, to the best of your knowledge?

1 THE WITNESS: Unless he was testing something.

2 JUDGE STEINBERG: Okay. But do you have any
3 recollection of him doing that, either before or after April
4 of '91?

5 THE WITNESS: Unless he was putting in equipment
6 or we had a problem with a piece of equipment, I mean, there
7 was always -- they had all kinds of gadgets and stuff.

8 JUDGE STEINBERG: Okay, do you know if any station
9 personnel reported to Mr. Rice?

10 THE WITNESS: No, no one did.

11 JUDGE STEINBERG: What was the chain of command in
12 the station?

13 THE WITNESS: Janet -- in the station, it was Dan
14 Leatherman, Jeff Carr, program -- he ran the programming,
15 and I ran the rest of it, sales and so on.

16 JUDGE STEINBERG: And so people reported to you?

17 THE WITNESS: Were all accountable to me.

18 JUDGE STEINBERG: Okay. And then you were
19 accountable to?

20 THE WITNESS: To Janet.

21 JUDGE STEINBERG: But nobody at the station was
22 accountable to Mr. Rice?

23 THE WITNESS: No.

24 JUDGE STEINBERG: To your knowledge, did the
25 people at the station know that Mr. Rice was president,

1 director and about a two-thirds shareholder of Lake?

2 THE WITNESS: Some did. Some didn't.

3 JUDGE STEINBERG: Okay. So if -- well, I'm not
4 going to ask you that.

5 THE WITNESS: I don't think they knew any of that
6 in specifics, you know.

7 JUDGE STEINBERG: I mean, when Mr. Rice, assuming
8 he came -- did he ever come to the station during the
9 daytime when the station was running and everybody was
10 there?

11 THE WITNESS: Not too -- unless we had something
12 that was affecting our on-air. If we had a major problem,
13 he and Eric would be there working on something drastically
14 fixing something.

15 JUDGE STEINBERG: Okay, but how often did that
16 happen let's say after April '91?

17 THE WITNESS: Maybe once. Not too often. They
18 kept the equipment up pretty good.

19 JUDGE STEINBERG: Okay. So, to your knowledge,
20 Mr. Rice was not physically at the station when the normal
21 component of employees was there?

22 THE WITNESS: No. No.

23 They usually came on weekends and at nights. And
24 like I said, I can remember there is a lot of people at the
25 station, mostly part timers, they didn't even know who he

1 was, because I got a phone call, "Who is this guy?"

2 JUDGE STEINBERG: If the station was experiencing
3 technical difficulties, who was that reported to?

4 THE WITNESS: Eric. Well, first, they called Jeff
5 Carr, and then Jeff took care of it if it was something
6 minor. And then if it was something major, Jeff would call
7 Eric. And then later then would call me and let me know
8 what was going on.

9 JUDGE STEINBERG: Okay. But to your knowledge, if
10 there was any technical problem with the station Mr. Rice
11 would not get a phone call --

12 THE WITNESS: No, they either --

13 JUDGE STEINBERG: -- quickly?

14 THE WITNESS: I'm sorry.

15 They called either Eric, and if they could not get
16 a hold of Eric, then they would call Ken Kuenzie.

17 JUDGE STEINBERG: But they wouldn't call Mr. Rice?

18 THE WITNESS: No.

19 JUDGE STEINBERG: Was his telephone number
20 prominently displayed anywhere in the station?

21 THE WITNESS: No, it was not. Everybody else's
22 was, but his was not.

23 JUDGE STEINBERG: Was it like a little list of
24 people to call?

25 THE WITNESS: Who to call in case of an emergency.

1 I think after Ken Kuenzie, then it was Casey Van Allen.

2 JUDGE STEINBERG: Okay, but his number wasn't
3 there on that list?

4 THE WITNESS: Mike Rice's was not there.

5 JUDGE STEINBERG: I think you had already gone
6 over the programming, and Mr. Rice had no responsibility for
7 any aspect of programming?

8 THE WITNESS: No, he did not.

9 JUDGE STEINBERG: What if -- did he ever hear any
10 kind of music or news reports that he didn't like, and then
11 complain to you about them?

12 THE WITNESS: No.

13 JUDGE STEINBERG: Okay, do you keep program logs?
14 Do you still have to -- no, you don't have to do that
15 anymore, right?

16 THE WITNESS: We --

17 JUDGE STEINBERG: Gosh, this deregulation has
18 gotten totally out of hand.

19 (Laughter.)

20 JUDGE STEINBERG: We need these program logs in
21 here now.

22 THE WITNESS: You need to be on the air for
23 awhile.

24 JUDGE STEINBERG: I mean, you've got this little
25 pencil and make all these check marks.

1 Let the record reflect humor just so that whoever
2 is reading this at some future point in time doesn't think I
3 have completely went bonkers.

4 So forget about the program logs.

5 (Laughter.)

6 JUDGE STEINBERG: Okay, did Mr. Rice have any
7 responsibility, did he ever do any sales work?

8 THE WITNESS: No. No.

9 JUDGE STEINBERG: Did you have any national
10 advertising accounts?

11 THE WITNESS: No, not in a small market like that,
12 but if it does it comes over our ABC news, you know.

13 JUDGE STEINBERG: Okay. Part of the package?

14 THE WITNESS: Yeah.

15 JUDGE STEINBERG: How about trade out
16 arrangements, did Mr. Rice have any involvement in trade out
17 arrangements?

18 THE WITNESS: I think he used, some occasions used
19 a trade out on a restaurant.

20 JUDGE STEINBERG: Okay.

21 THE WITNESS: But we all did.

22 JUDGE STEINBERG: Oh, okay. About how often did
23 he do that?

24 THE WITNESS: Not very often.

25 JUDGE STEINBERG: Whenever he was in town?

1 THE WITNESS: Not whenever.

2 JUDGE STEINBERG: What restaurant?

3 THE WITNESS: Bentley's.

4 JUDGE STEINBERG: So was that after April '91,
5 before or both?

6 THE WITNESS: Before.

7 JUDGE STEINBERG: It was before?

8 THE WITNESS: Yeah.

9 JUDGE STEINBERG: To your knowledge, did he ever
10 use the restaurant trade out after?

11 THE WITNESS: Not to my knowledge.

12 JUDGE STEINBERG: Did the station have a rate
13 card?

14 THE WITNESS: Yes, we do. Or, yes, they did.

15 JUDGE STEINBERG: And they did. They don't -- I
16 mean, when you were working there they had a rate card?

17 THE WITNESS: Right.

18 JUDGE STEINBERG: Okay. And who established the
19 rates on the rate card?

20 THE WITNESS: I did.

21 JUDGE STEINBERG: Did Mr. Rice have any
22 involvement in that?

23 THE WITNESS: No.

24 JUDGE STEINBERG: Did the station have advertising
25 contracts?

1 THE WITNESS: Yes, they did.

2 JUDGE STEINBERG: And who signed the contracts on
3 behalf of the station?

4 THE WITNESS: I did.

5 JUDGE STEINBERG: Did Mr. --

6 THE WITNESS: Well, the sales representative did
7 first, and then I initialed it.

8 JUDGE STEINBERG: And you had to approve them?

9 THE WITNESS: I approved them.

10 JUDGE STEINBERG: So like car salesmen? You know,
11 he can negotiate any deal you want, and they you have to --

12 THE WITNESS: Well, I did to make sure that the
13 mathematics was right.

14 JUDGE STEINBERG: Okay. Did Mr. Rice have any
15 involvement in that --

16 THE WITNESS: No.

17 JUDGE STEINBERG: -- either before or after April
18 '91?

19 THE WITNESS: No, he did not. Never.

20 JUDGE STEINBERG: Any matters with respect to
21 taxes, federal, state, local taxes, social security
22 withholding taxes, W-2 forms, that wasn't you, was it?

23 THE WITNESS: No.

24 JUDGE STEINBERG: That was Ms. Cox?

25 THE WITNESS: Janet did that all.

1 JUDGE STEINBERG: And utility bills, was that you?

2 THE WITNESS: No, that was not.

3 JUDGE STEINBERG: That was Janet?

4 THE WITNESS: Janet.

5 JUDGE STEINBERG: Did you have wire services?

6 THE WITNESS: We have Learfield Wire Service.

7 JUDGE STEINBERG: And who pays the bills for
8 those?

9 THE WITNESS: Our home office.

10 JUDGE STEINBERG: Okay. Okay, Mr. Gaffney.

11 MR. GAFFNEY: Just briefly, Your Honor.

12 REDIRECT EXAMINATION

13 BY MR. GAFFNEY:

14 Q If you can turn briefly, please, to paragraph five
15 on page 2 of the testimony of Dan Leatherman.

16 A Yes, sir.

17 Q In there you speak about certain communications
18 related to concerns of Mr. Rice as a landlord, the physical
19 plant, and not to the programming, sales and other aspects
20 of the station's management, policy or daily operations.

21 Do you see that section?

22 A Yes, I do.

23 Q You have been shown Exhibit No. 8 from the Bureau,
24 a series of communications by fax, some between you and Mr.
25 Rice that you spoke about, correct?

1 A Yes, I have.

2 Q Are the activities that you are describing in
3 paragraph five those which are reflected in Bureau's Exhibit
4 8?

5 A I'm sorry, I --

6 Q The communications that you had that are reflected
7 in the Bureau's Exhibit No. 8, the faxed memos.

8 A Um-hmm.

9 Q Are those communications ones that you are
10 describing here in your testimony in paragraph five as
11 related to concerns about landlord, physical plant, and not
12 programming, sales and other aspects of the station's
13 management, policy and daily operations?

14 A In my opinion, they relate to the physical plant,
15 and not the daily operations.

16 Q Okay. So when you describe these activities in
17 paragraph five, those activities are ones evidenced by these
18 transmittal letters in Bureau's Exhibit No. 8?

19 A Correct.

20 Q You also said that you had a communication with
21 regard to sound effects and equipment, and that you spoke to
22 Janet Rice and that you assumed --

23 JUDGE STEINBERG: Janet Cox.

24 MR. GAFFNEY: Cox, excuse me.

25

1 BY MR. GAFFNEY:

2 Q And that you assumed possibly that Ms. Cox had
3 spoken to Mr. Rice because she knew what you were talking
4 about, right?

5 A Right.

6 Q But you have no personal knowledge that there was
7 any such communication, do you?

8 A No.

9 Q As far as you know, could those communications
10 have been directly between Mr. Casey and Ms. Cox, and that's
11 why she knew about these issues?

12 A Quite possibly.

13 JUDGE STEINBERG: Okay, that's all speculation. I
14 mean, you don't have any personal -- any personal knowledge.

15 THE WITNESS: All I remember is that kind of gave
16 me a riff because Casey always tried to do things that were
17 helpful ---

18 BY MR. GAFFNEY:

19 Q But the question --

20 JUDGE STEINBERG: Okay, the question is --

21 BY MR. GAFFNEY:

22 Q -- is you had no personal knowledge between
23 communications between Janet Cox and Michael Rice on this
24 topic, or for that matter, any other topic?

25 JUDGE STEINBERG: Okay, well, if you look at the

1 raison fax, that -- I mean, you forwarded --- you responded
2 to Ms. Cox, and after that you have no personal information?

3 THE WITNESS: No.

4 JUDGE STEINBERG: Okay. So whatever you think --
5 I mean, you have testified --

6 THE WITNESS: I told him I assume so.

7 JUDGE STEINBERG: Yes, but you don't know?

8 THE WITNESS: I don't know.

9 JUDGE STEINBERG: Okay.

10 MR. GAFFNEY: No further questions, Your Honor.

11 MR. MASTANDO: Your Honor, I would like to do a
12 brief recross.

13 JUDGE STEINBERG: On what?

14 MR. MASTANDO: Based upon a few of the questions
15 that you had raised. It will be very brief, Your Honor.

16 MR. GAFFNEY: Well, Your Honor.

17 JUDGE STEINBERG: I usually don't allow -- I mean,
18 usually we have redirect and that's it. But you want to
19 tell me what you are going to ask I can determine whether
20 it's worth asking.

21 MR. GAFFNEY: If I can object, Your Honor.
22 Shouldn't the recross-examination be limited to the scope of
23 my --

24 JUDGE STEINBERG: Yes.

25 MR. GAFFNEY: -- redirect, which is the sound

1 effect issue and the communication, and the statement.

2 JUDGE STEINBERG: Actually, he never had an
3 opportunity to -- well, I don't think I'm going to allow it.
4 I think we will just have the -- you know, just limit it to
5 the recross, whatever.

6 So anything further?

7 Okay, Mr. Leatherman, you are excused, but I
8 remind you not to talk to Ms. Cox about what was asked of
9 you.

10 THE WITNESS: Thank you, sir.

11 JUDGE STEINBERG: Thank you for coming and
12 testifying.

13 (Witness excused.)

14 MR. GAFFNEY: Could we request a brief break at
15 this point?

16 JUDGE STEINBERG: Okay, you want to take about 10
17 minutes?

18 MR. GAFFNEY: Good.

19 JUDGE STEINBERG: Okay.

20 MR. GAFFNEY: Thank you.

21 JUDGE STEINBERG: We'll go off the record, take
22 about a 10-minute break.

23 (Whereupon, a recess was taken.)

24 MR. GAFFNEY: The Licensees call Janet Cox.

25 JUDGE STEINBERG: Okay, Ms. Cox, if you will stand

1 up, please, and raise your right hand?

2 Whereupon,

3 JANET COX

4 having been first duly sworn, was called as a
5 witness herein and was examined and testified as follows:

6 JUDGE STEINBERG: Please be seated, and if you
7 would, state your name and address for the record, please.

8 THE WITNESS: My name is Janet Cox. I live at 13
9 Joy Lane, St. Peters, Missouri.

10 DIRECT EXAMINATION

11 BY MR. GAFFNEY:

12 Q Ms. Cox, want to direct your attention to a
13 document that's marked Contemporary Exhibit No. 1 and
14 entitled "Direct Testimony of Janet Cox."

15 Do you recognize that document?

16 A Yes.

17 Q I also want to direct your attention to a document
18 entitled "Declaration of Janet Cox," and ask you if you
19 recognize that document?

20 A Yes, I do.

21 Q Now, is the testimony that's marked Contemporary
22 Exhibit No. 1 true and correct to the best of your
23 knowledge, information and belief?

24 A Yes.

25 Q And did you attest to that by signing the

1 declaration in accordance therewith?

2 A Yes.

3 Q I also want to show you what's been marked as Mass
4 Media Bureau Exhibit 10, and it consists of a list of
5 numbers, describing checks, page A, a letter signed by
6 Michael Gaffney, page B, and a series of check copies of the
7 Licensees in this case.

8 I want to direct your attention to page 14 of that
9 exhibit, and, in particular, to the top two checks signed by
10 Janet Cox and Michael Rice, with a date of April 5, 1991.

11 Do you see those?

12 A Yes.

13 Q Did Mr. Rice sign those checks on April 5, 1991?

14 A No.

15 Q When did he sign them?

16 A Probably a week or better before then.

17 Q And that was before he was hospitalized in 1991?

18 A Yes.

19 Q And can you tell us what would occasion Mr. Rice
20 in this instance to sign it a week ahead of the date
21 indicated on the check?

22 A Well, because a payroll period would end two weeks
23 prior to that day, and the time sheets would come into our
24 office usually in the Monday mail, and the payroll would be
25 processed then, and checks signed and returned by mail to